
Department of Commerce

This audit report is the result of our financial-compliance audit of the Department of Commerce (department) for the two fiscal years ended June 30, 2005.

The report contains seven recommendations to the department. The previous audit report contained four recommendations. The department implemented all four recommendations.

We issued an unqualified opinion on the financial schedules contained in this report. This means the reader may rely on the presented financial information and the supporting data on the accounting system.

The listing below serves as a means of summarizing the recommendations contained in the report, the department's response thereto, and a reference to the supporting comments.

Recommendation #1

We recommend the department:

- A. Correctly record federal revenue and expenditures.
- B. Record activity in the correct fund according to state law..... 8

Agency Response: Concur. See page B-3.

Recommendation #2

We recommend the department follow state accounting policy when reversing accruals..... 8

Agency Response: Concur. See page B-3.

Recommendation #3

We recommend the department ensure the assets and liabilities recorded on SABHRS are valid. 9

Agency Response: Concur. See page B-4.

Report Summary

<u>Recommendation #4</u>	We recommend the department and the commission ensure the gift store inventory is recorded on the accounting records as required by state law.....	10
	<u>Agency Response:</u> Concur. See page B-4.	
<u>Recommendation #5</u>	We recommend the department: A. Require the commission to report all employee compensation, including the value of free housing. B. Report the value of free housing as taxable income for the affected employees to the federal and state governments.....	11
	<u>Agency Response:</u> Concur. See page B-4.	
<u>Recommendation #6</u>	We recommend the department accurately report current year distributions on the Community Development Block Grant Performance and Evaluation Report.....	12
	<u>Agency Response:</u> Concur. See page B-4.	
<u>Recommendation #7</u>	We recommend the department develop and implement procedures to ensure it complies with federal requirements prohibiting contracting with suspended and debarred entities.	13
	<u>Agency Response:</u> Concur. See page B-5.	